News

AVERAGE ANNUAL PAY IN PENNSYLVANIA, 1999

Annual pay in Pennsylvania averaged $32,696 in 1999, increasing 3.5 percent over the year, according to the U.S. Department of Labor's Bureau of Labor Statistics. Sheila Watkins, regional commissioner of the Bureau in Philadelphia, noted that Pennsylvania's pay level was below both the national average ($33,340) and that for the Middle Atlantic division[1] ($38,638). (See table 1.) Pennsylvania ranked 17th highest among all the states and the District of Columbia in pay level and 36th in rate of increase.

Average pay in the Middle Atlantic division grew at a 3.7 percent pace in 1999 compared to 4.4 percent nationally. All three states in the Middle Atlantic division had annual pay increases of less than 4 percent. At 3.9 percent, New Jersey had the fastest growth rate in the Middle Atlantic, followed by New York at 3.7 percent, and Pennsylvania at 3.5 percent. Pay levels in New York and New Jersey, continued to rank among the top five nationwide, while Pennsylvania's remained a bit below the national average.
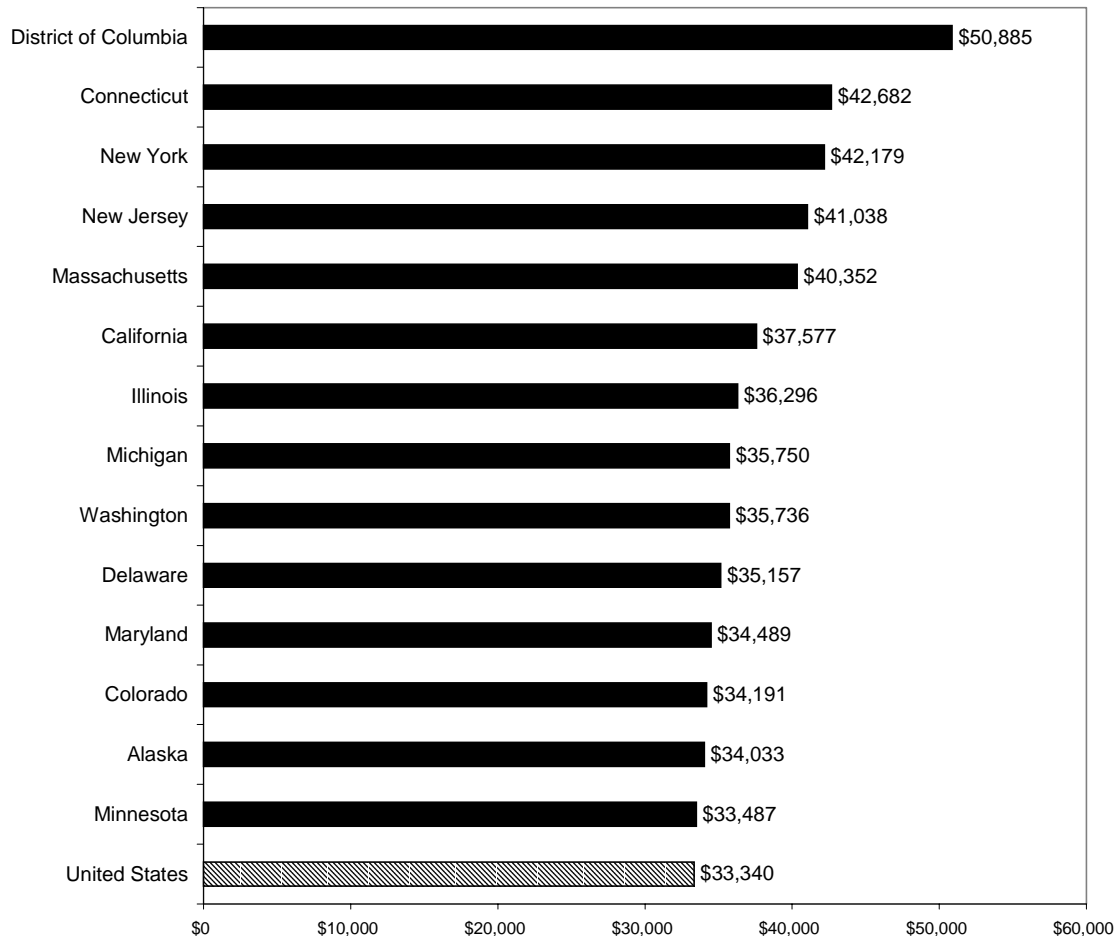
Half of the 14 areas in the U.S. where the average pay level surpassed the national average fell in a contiguous band along the east coast stretching from Massachusetts to the District of Columbia. The five highest pay levels nationwide were in the District of Columbia ($50,885), Connecticut ($42,682), New York ($42,179), New Jersey ($41,038), and Massachusetts ($40,352). (See chart A.) The five states with the lowest annual pay in 1999 – Montana, North Dakota, South Dakota, Mississippi, and Arkansas – have posted the five lowest annual pay figures every year since 1988. Pay in those states ranged from $23,260 to $25,371. (See table 1.)

Less than one-quarter of the states had percentage increases in annual pay that exceeded the 4.4 percent growth rate in the United States. The fastest rate of increase in the nation – 8.0 percent – was in Washington. Massachusetts (6.8 percent), California (6.3 percent), and Colorado (6.0 percent) were the only other states that had percentage increases of 6 percent or more. At 0.5 percent, Alaska registered the smallest increase in pay as it has every year since 1995. Other states with low rates of pay growth were Louisiana (1.1 percent), New Mexico (2.2 percent), Mississippi (2.4 percent), and Hawaii (2.6 percent). Except for Hawaii, the 1999 growth rate for each of these states was lower than in 1998. No state reported a decline in pay in 1999.
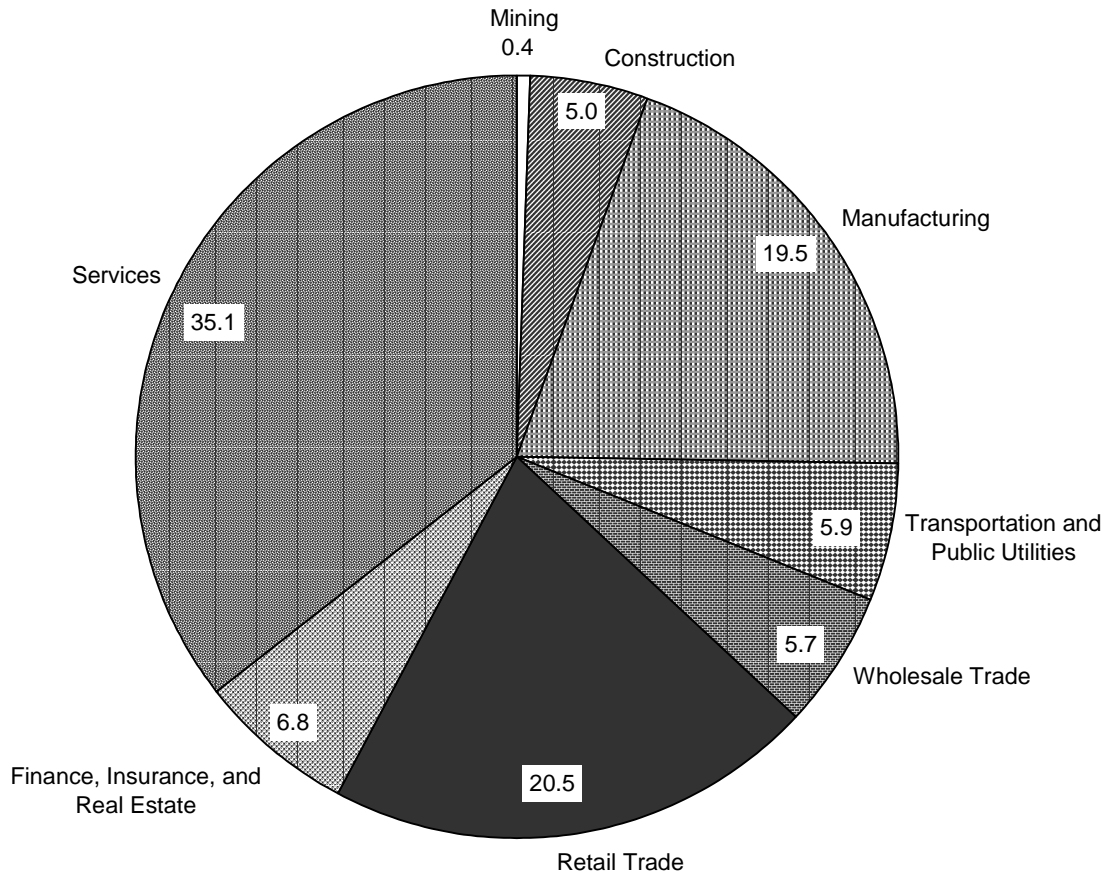
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[1] The Middle Atlantic division referenced in this release corresponds to the Census definition and is comprised of 3 states--New Jersey, New York, and Pennsylvania.

Annual pay data are compiled from reports submitted by employers subject to state and federal Unemployment Insurance (UI) laws which cover 122 million full- and part-time workers nationwide. Average annual pay is computed by dividing total annual payrolls of employees covered by UI programs by the average monthly number of these employees. (See Technical Note.) Pay differences among states reflect the varying composition of employment by occupation, industry, and hours of work, as well as other factors. Similarly, over-the-year pay changes may reflect shifts in these characteristics, as well as changes in the level of average pay.

Chart A. Average annual pay for the District of Columbia and states exceeding U.S. level in 1999

State	Average annual pay
District of Columbia	$50,885
Connecticut	$42,682
New York	$42,179
New Jersey	$41,038
Massachusetts	$40,352
California	$37,577
Illinois	$36,296
Michigan	$35,750
Washington	$35,736
Delaware	$35,157
Maryland	$34,489
Colorado	$34,191
Alaska	$34,033
Minnesota	$33,487
United States	$33,340

Annual pay in Pennsylvania's private sector industries, which comprised 88 percent of the work force, averaged $32,250 in 1999, increasing 3.7 percent over the year. (Private industry employment excludes government workers.) Services was Pennsylvania's largest industry division accounting for 35 percent of all private sector employment, followed by retail trade and manufacturing, with 21 and 20 percent, respectively. (See chart B.) Percentage gains in all published industry divisions ranged from a low of 2.7 percent in mining and finance, insurance, and real estate to 4.6 percent in transportation, communications, and public utilities. (See table 2.) Mining continued to be the highest paid industry, averaging $45,147. Retail trade, with a large percentage of part-time workers, remained the lowest paid at $16,506. Average annual pay for all Pennsylvania industries with the exception of construction were below their respective United States levels. Overall, private sector pay in Pennsylvania was almost $1,000 below the national level of $33,244.

Chart B. Percent of 1999 private sector employment in Pennsylvania by industry

Mining
0.4

Construction
5.0

Manufacturing
19.5

Services
35.1

Transportation and
Public Utilities
5.9

Wholesale Trade
5.7

Finance, Insurance, and
Real Estate
6.8

Retail Trade
20.5

Among Pennsylvania's 15 metropolitan areas[2], Philadelphia, Pa-NJ., led the State in pay averaging $37,327 in 1999, 26th highest among the 316 metropolitan areas nationwide. (See table 3.) It was the only metropolitan area in the State that had a pay level above the national metropolitan average of $34,900. Pittsburgh recorded the second highest pay in Pennsylvania at $33,049 and ranked 53rd nationwide, followed by Allentown-Bethlehem-Easton ($32,179), and Harrisburg-Lebanon-Carlisle ($31,493). Pay levels for these four areas in Pennsylvania ranked in the top quarter among metropolitan areas nationwide. In the State's remaining 11 metropolitan areas, average annual pay ranged from $30,999 in Reading (87th highest) to $24,027 in Johnstown (286th).

Almost all of the 15 metropolitan areas in Pennsylvania had over-the-year pay gains that were proportionally smaller than the 4.4 percent average for all 316 U.S. metropolitan areas in 1999. The two exceptions were Pittsburgh, which posted the largest percentage increase in pay in the State at 5.3 percent, and Allentown-Bethlehem-Easton, which had a 4.8 percent rate of growth. Reading and Erie had the lowest pay growth in the State, up 1.5 and 1.4 percent, respectively.

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[2] Nationwide there are 316 metropolitan areas. The general concept of a metropolitan area is that of a core area containing a large population nucleus, together with adjacent communities that have a high degree of economic and social integration within that core. See Technical Note for criteria used in determining a metropolitan area.

Nationwide, San Jose, Calif., the hub of Silicon Valley, led the nation with an average annual pay level of $61,117 in 1999. New York, N.Y., had the second highest pay level ($52,444), followed by San Francisco, Calif. ($50,119); New Haven-Bridgeport-Stamford-Waterbury-Danbury, Conn. ($47,133); and Middlesex-Somerset-Hunterdon, N.J. ($46,193). For the tenth straight year, Jacksonville, N.C., had the lowest average annual pay among metropolitan areas ($20,278). The second lowest pay occurred in Yuma, Ariz. ($20,362), followed by Brownsville-Harlingen-San Benito, Tex. ($20,998); McAllen- Edinburg-Mission, Tex. ($21,111); and Myrtle Beach, S.C. ($21,701). These five areas had the lowest average annual pay in 1998 as well. From 1998 to 1999, 245 metropolitan areas experienced less than average pay growth (4.4 percent). Of these, four had growth of 1 percent; 16 grew less than 1 percent; and six reported a decline in average annual pay. The majority of these low growth/no growth metro areas were located in the South or Midwest, in particular, the states of Texas, Louisiana, Florida, and Iowa.

Among Pennsylvania's 17 large counties (those with employment of 75,000 or more), Montgomery County led the State in pay averaging $41,155 in 1999. Chester County had the second highest pay level in the State ($40,923), followed by Philadelphia County (38,008), Allegheny County ($35,839), Delaware County ($34,897), and Lehigh County ($34,420). All six of these counties, four of which were located in the Philadelphia metropolitan area, recorded average annual pay levels greater than the nationwide average of $33,340. Two counties in the Scranton—Wilkes-Barre—Hazelton metropolitan area, Luzerne and Lackawanna, recorded the lowest pay levels in the state, at $27,115 and $25,743, respectively.

The rate of growth in pay from 1998 to 1999 varied among the State's 17 large counties with Allegheny County (6.4 percent), Lehigh County (5.2 percent), and Bucks County (4.6 percent) exceeding the nationwide average of 4.4 percent. Montgomery County's pay increase, at 4.4 percent, matched that for the nation, while the remaining 13 had increases of less than 4 percent. Philadelphia County and Lackawanna County had the lowest pay growth in the State, up 1.3 and 0.7 percent, respectively. (See table 4.)

Data are also available for all of the nation's 305 large counties[3]. Nationally, New York County, N.Y., comprised entirely of the borough of Manhattan, continued to have the highest level of average annual pay at $65,794, followed by the counties of Santa Clara, Calif. ($61,117); Fairfield, Conn. ($56,358); Loudoun, Va. ($52,283); and Somerset, N.J. ($52,105). The lowest average annual pay in the United States was reported in Cameron County, Texas ($20,998), followed by the counties of Hidalgo, Texas ($21,111); Horry, S.C. ($21,701); Yakima, Wash. ($22,402); and Tulare, Calif. ($22,701). From 1998 to 1999, 224 of the largest counties in the U.S. experienced less than a 4.5 percent average growth in annual pay. Of these, three had growth of 1 percent, 14 experienced growth of less than 1 percent, and three reported a decline in average annual pay.

NOTE

Data presented in this release will differ from that previously published in the three Average Annual Pay releases issued in November and December 2000. Pay data in this release is no longer preliminary. In addition, data for New Jersey, which was unavailable at the time the national releases were issued, is now included in all series.

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[3] A large county is defined as having an employment level of 75,000 or more; in some jurisdictions, independent cities are also included in the count. Altogether, there are 305 counties in the United States which meet this criteria.

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TECHNICAL NOTE

<u>Background</u>

These data are the product of a federal-state cooperative program in which State Employment Security Agencies (SESAs) prepare summaries of employment and total pay of workers covered by Unemployment Insurance legislation. The summaries are a by-product of the administration of state unemployment insurance (UI) programs that require most employers to pay quarterly taxes based on the employment and wages of workers covered by UI. Data for 1999 are preliminary and subject to revision.

<u>Coverage</u>

Employment and wage data for workers covered by state UI laws and for federal civilian workers covered by the Unemployment Compensation for Federal Employees (UCFE) program are compiled from quarterly contribution reports submitted to the SESAs by employers. In addition to the quarterly contribution reports, employers who operate multiple establishments within a state complete a questionnaire, called the "Multiple Worksite Report," which provides detailed information on the location and industry of each of their establishments. Average annual pay data are derived from summaries of employment and wages submitted by states to the Bureau of Labor Statistics. These reports are based on place of employment rather than place of residence.

UI and UCFE coverage is broad and basically comparable from state to state. In 1999, UI and UCFE programs covered workers in 127.0 million jobs. The estimated 122 million workers in these jobs (after adjustment for multiple jobholders) represent 99 percent of wage and salary civilian employment. Covered workers received $4.232 trillion in pay, representing 94.7 percent of the wage and salary component of personal income and 45.5 percent of the gross domestic product.

Major exclusions from UI coverage during 1999 included most agricultural workers on small farms, all members of the Armed Forces, elected officials in most states, most employees of railroads, some domestic workers, most student workers at schools, and employees of certain small nonprofit organizations.

<u>Concepts and methodology</u>

Average annual pay is computed by dividing total annual pay of employees covered by UI programs by the average monthly number of these employees. Included in the annual payroll data are bonuses, the cash value of meals and lodging when supplied, tips and other gratuities, and, in some states, employer contributions to certain deferred compensation plans such as 401(k) plans and stock options. Monthly employment is based on the number of workers who worked during or received pay for the pay period including the 12th of the month. With few exceptions, all employees of covered firms are reported, including production and sales workers, corporation officials, executives, supervisory personnel, and clerical workers. Workers on paid vacations and part-time workers also are included. Percentage changes in average annual pay for 1999 were computed using final 1998 data as a base.

The ratio of full-time to part-time workers as well as the number of individuals in high-paying and low-paying occupations affects average annual pay. When comparing average annual pay levels between industries and/or states, these factors should be taken into consideration. Annual pay data only approximate annual earnings, because an individual may not be employed by the same employer all year or may work for more than one employer. Year-to-year changes in average annual pay can result from a change in the proportion of employment in high- and low-wage jobs, as well as from changes in the level of average annual pay.

Industry data in table 2 are for the private sector only. Average annual pay for employment in the private sector is presented by industry division as defined in the 1987 Standard Industrial Classification Manual. Government data for federal, state, and local establishments is also available but has not been included in this release.

A few covered employers provided insufficient information on the nature of their businesses to assign a specific SIC classification and therefore could not be classified by industry division. The wages for these nonclassifiable establishments, along with data for the agricultural division, are not shown separately, but are included in the averages for state and national totals.

The Office of Management and Budget (OMB) defines metropolitan areas for use in federal statistical activities and updates these definitions as needed each summer—data in this release use criteria established in definitions issued June 23, 1998 (OMB Bulletin No. 98-06). The 316 metropolitan areas in the United States, along with 6 in Puerto Rico, are a compilation of a set of areas classified as Metropolitan Statistical Areas (MSAs), Primary Metropolitan Statistical Areas (PMSAs) and Consolidated Metropolitan Statistical Areas (CMSAs). Generally speaking, a MSA consists of one or more counties and meets specified size criteria—either it contains a city of at least 50,000 inhabitants, or it contains an urbanized area of at least 50,000 inhabitants, and has a total population of at least 100,00 (75,000 in New England). A CMSA is a metropolitan area that has a population of at least 1 million and has been divided into two or more PMSAs. The CMSA comprises the same geographic area as its constituent PMSAs which are loosely defined as free-standing areas that have a population of at least 100,000.

County definitions are assigned according to Federal Information Processing Standards Publications (FIPS PUBS) as issued by the National Institute of Standards and Technology, after approval by the Secretary of Commerce pursuant to Section 5131 of the Information Technology Management Reform Act of 1996 and the Computer Security Act of 1987, Public Law 104-106. Areas shown as counties include areas designated as independent cities in some jurisdictions, and, in Alaska, those designated as census areas where counties have not been created.

Additional statistics and other information

Additional average annual pay data (or Covered Employment and Wages data) is available on the BLS Internet site at **http://www.bls.gov/cewhome.htm.** Data can be accessed in two ways, through Selective Access, which allows quick access to particular items, or via the special request FTP service, which allows access to extensive collection of flat text files. The Philadelphia Information Office can provide assistance accessing these files by calling (215) 597-3282.

This news release, along with other BLS statistics and information, is available via the Internet at the BLS World Wide Web site **http://www.bls.gov/ro3news.htm**.

BLS issues an annual report that provides data from state UI and UCFE programs. The comprehensive bulletin, Employment and Wages, Annual Averages, 1999, features information by detailed industry on establishments, employment, and wages for the nation and individually for each state. The report will be available for sale early this year from the Bureau of Labor Statistics Publications Sales Center, P.O. Box 2145, Chicago, Illinois 60690. Telephone orders using a credit card (MasterCard, VISA, Discover/NOVUS) or Government Printing Office Deposit Account are accepted at (312)353-1880 from 8 a.m. to 3 p.m. CT.

Table 1. State average annual pay for 1998 and 1999 and percent change in pay for all covered workers [1]

	Average annual pay		Percent change, 1998-99 [2]
	1998	1999	
UNITED STATES[3]................	$31,945	$33,340	4.4
Mid Atlantic Region[4]	**37,261**	**38,638**	**3.7**
Alabama	27,042	28,095	3.9
Alaska	33,847	34,033	0.5
Arizona	29,322	30,525	4.1
Arkansas	24,425	25,371	3.9
California	35,348	37,577	6.3
Colorado	32,248	34,191	6.0
Connecticut	40,895	42,682	4.4
Delaware..........................	33,969	35,157	3.5
District of Columbia........	48,462	50,885	5.0
Florida	28,184	28,935	2.7
Georgia............................	30,856	32,332	4.8
Hawaii	29,036	29,794	2.6
Idaho	24,868	26,044	4.7
Illinois	34,715	36,296	4.6
Indiana	29,108	30,027	3.2
Iowa	26,026	26,953	3.6
Kansas	26,845	28,031	4.4
Kentucky	26,697	27,783	4.1
Louisiana	26,910	27,216	1.1
Maine	25,875	26,887	3.9
Maryland..........................	33,301	34,489	3.6
Massachusetts	37,774	40,352	6.8
Michigan	34,521	35,750	3.6
Minnesota	32,075	33,487	4.4
Mississippi	23,822	24,391	2.4
Missouri	28,907	29,967	3.7
Montana	22,648	23,260	2.7
Nebraska	25,539	26,632	4.3
Nevada	30,203	31,213	3.3
New Hampshire	30,944	32,141	3.9
New Jersey	**39,516**	**41,038**	**3.9**
New Mexico	25,711	26,267	2.2
New York	**40,684**	**42,179**	**3.7**
North Carolina.................	28,176	29,462	4.6
North Dakota	22,990	23,751	3.3
Ohio	30,392	31,395	3.3
Oklahoma	25,122	25,813	2.8
Oregon	29,544	30,872	4.5
Pennsylvania...................	**31,584**	**32,696**	**3.5**
Rhode Island	30,156	31,169	3.4
South Carolina.................	26,161	27,132	3.7
South Dakota	22,751	23,767	4.5
Tennessee	28,462	29,478	3.6
Texas	31,515	32,898	4.4
Utah	26,873	27,895	3.8
Vermont	26,611	27,597	3.7
Virginia............................	31,373	33,025	5.3
Washington	33,076	35,736	8.0
West Virginia...................	25,276	26,018	2.9
Wisconsin	28,531	29,607	3.8
Wyoming	24,725	25,647	3.7

[1] Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.

[2] Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.

[3] Totals for the United States do not include data for Puerto Rico.

[4] The 3 states comprising the Middle Atlantic region are in bold-face type.

Table 2. State and industry average annual pay in the U.S. and Pennsylvania for 1998 and 1999 and percent change in pay for all covered workers[1]

State and industry	Average annual pay		Percent change In pay [2]
	1998	1999	
United States [3]			
Total	$31,945	$33,340	4.4
Total Private [4]	31,762	33,244	4.7
Mining	52,066	54,636	4.9
Construction	33,386	34,812	4.3
Manufacturing	40,092	41,941	4.6
Transportation, communications, and public utilities	39,345	41,786	6.2
Wholesale trade	41,831	44,185	5.6
Retail trade	16,810	17,602	4.7
Finance, insurance, and real estate	48,641	50,910	4.7
Services	30,053	31,509	4.8
Pennsylvania			
Total	31,584	32,696	3.5
Total Private [4]	31,111	32,250	3.7
Mining	43,956	45,147	2.7
Construction	34,824	35,905	3.1
Manufacturing	39,674	41,048	3.5
Transportation, communications, and public utilities	38,769	40,541	4.6
Wholesale trade	40,291	42,063	4.4
Retail trade	15,877	16,506	4.0
Finance, insurance, and real estate	43,733	44,924	2.7
Services	29,494	30,715	4.1

[1] Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.
[2] Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.
[3] Totals for the United States do not include data for Puerto Rico.
[4] Includes data for industries in addition to those shown separately.

Table 3. Average annual pay for 1998 and 1999 for all covered workers[1] in Pennsylvania by metropolitan area

Metropolitan areas [3]	Average annual pay			National ranking [2] by level of annual average pay, 1999
	1998	1999	Percent change, 1998-99 [4]	
All U.S. metropolitan areas [5] .....…..........	$33,423	$34,900	4.4	---
Allentown-Bethlehem-Easton, PA.….........	30,712	32,179	4.8	69
Altoona, PA.…......….......…......….........	24,494	25,358	3.5	254
Erie, PA.…....…......…......…......….....	27,489	27,873	1.4	172
Harrisburg-Lebanon-Carlisle, PA.….........	30,414	31,493	3.5	79
Johnstown, PA.…......…......…......….....	23,164	24,027	3.7	286
Lancaster, PA.…......…......…......….....	28,539	29,447	3.2	126
Newburgh, NY-PA.…......…......…..........	26,871	27,671	3.0	178
Philadelphia, PA-NJ.…......…......….....	36,225	37,327	3.0	26
Pittsburgh, PA.…......…......…......….....	31,378	33,049	5.3	53
Reading, PA.…......…......…......….......	30,541	30,999	1.5	87
Scranton—Wilkes-Barre—Hazelton, PA..	26,067	26,591	2.0	209
Sharon, PA.…......…......…......….........	24,868	25,402	2.1	252
State College, PA.…......….......….........	26,964	27,969	3.7	168
Williamsport, PA.…......…......….........	25,141	26,092	3.8	233
York, PA.…......…......…......….......…...	29,280	29,943	2.3	116

[1] Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.

[2] Rankings are based on a comparison of data for 316 metropolitan areas nationwide. Data for metropolitan areas in all 50 states are included in this release. As a result, data here will differ from that previously published in the national release which was issued before data for New Jersey became available.

[3] Includes data for Metropolitan Statistical Areas and Primary Metropolitan Statistical Areas as of June 1999. See Technical Note.

[4] Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.

[5] Totals and rankings do not include the six metropolitan areas MSAs within Puerto Rico.

Table 4. Employment and average annual pay for 1999 and 1998-99 percent changes for all covered workers[1] in Pennsylvania by largest counties

County [2]	Employment			Average annual pay	
	1999	Percent change 1998-1999 [3]	Ranked by percent change, 1998-99 [4]	1999	Percent change 1998-99 [3]
United States [5]	127,042,282	2.3	-	$33,340	4.4
Allegheny……………..	702,184	1.4	201	35,839	6.4
Berks…………...……	165,128	1.4	201	30,999	1.5
Bucks…………...……	237,263	1.9	167	32,941	4.6
Chester……………..	210,868	4.4	43	40,923	3.8
Cumberland……..….	126,009	-0.2	281	31,809	3.5
Dauphin…………..…	168,937	0.3	261	32,963	3.7
Delaware…………...	215,690	0.0	275	34,897	2.2
Erie……………..…...	129,781	2.7	109	27,873	1.4
Lackawanna………..	98,740	3.3	88	25,743	0.7
Lancaster……...……	214,325	1.8	173	29,447	3.2
Lehigh……….………	166,759	2.7	109	34,420	5.2
Luzerne…….……….	139,470	1.5	191	27,115	2.4
Montgomery…………	469,370	1.8	173	41,155	4.4
Northampton…..……	85,453	1.5	191	29,833	3.7
Philadelphia…..……	656,354	1.1	222	38,008	1.3
Westmoreland…..……	132,845	0.9	237	27,631	3.4
York……..…………..	163,547	2.1	152	29,943	2.3

[1] Includes workers covered by Unemployment Insurance(UI) and Unemployment Compensation for Federal Employees (UCFE) programs. The 305 largest U.S. counties comprise 70.2 % of the total covered workers in the nation. Counties in all 50 states are included. As a result, data here will differ from that previously published in the national release which was issued before New Jersey data became available.

[2] Includes areas not officially designated as counties. See Technical Note.

[3] Percent changes were computed from annual employment and pay data adjusted for noneconomic county reclassifications. See Technical Note.

[4] Rankings for percent change in employment are based on the 288 counties that are comparable over the year.

[5] Totals and rankings for the United States do not include data for Puerto Rico.